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**ADP BULLETIN**

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Deputy Director Approval dave neilsen Deputy Director Program Services Division	Function: (Check one.) [] Information Management [] Quality Assurance [] Service Delivery [X] Fiscal [] Administration []	Supersedes Bulletin/ADP Letter No.	

PURPOSE

The purpose of this bulletin is to provide information on the federal funding reporting requirements under the Federal Funding Accountability and Transparency Act (FFATA).

DISCUSSION

FFATA requires the Office of Management and Budget (OMB) to ensure the existence and operation of a single, searchable website for all Federal spending awards. FFATA's definition of "Federal awards" include not only prime awards for grants, cooperative agreements, loans, and contracts, but also includes sub-grants and sub-contracts.

As of October 1, 2010, recipients of new federal grants and contracts must comply with sub-recipient reporting requirements under the FFATA. Grant and contract recipients are now required to report on first-tier sub-awards over \$25,000, and the reports must be submitted as often as monthly. The data ranges from sub-awardee and project information to executive compensation. In summary, the FFATA requirements of 2006 and subsequent 2008 amendments are:

- Requires information disclosure of entities receiving Federal funding through Federal awards such as Federal contracts and their sub-contracts and Federal grants and their sub-grants.
- Requires disclosure of executive compensation for certain entities.
- Requires the establishment of a publicly available, searchable website that contains information about each Federal award (will be made available to the public on www.USASpending.gov).
- Requires agencies to comply with OMB guidance and instructions and assist OMB in implementation of website.



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While the reporting requirements include grants, cooperative agreements, loans, contracts, sub-grants, and sub-contracts, the information provided in this bulletin is specific to sub-grants issued by ADP to the counties.

For the Department of Alcohol and Drug Programs (ADP) purposes, only the Substance Abuse Prevention and Treatment (SAPT) Block Grant funds issued within the Negotiated Net Amount (NNA) contract are subject to the FFATA reporting requirements:

All other funding sources issued to the counties by ADP, including Federal Financial Participation funding for Drug Medi-Cal, does not meet these Federal reporting requirements. Therefore, all references related to contracts or sub-contracts are not included within the instructions issued by ADP (prime awardee). However, this does not preclude the counties from reporting other Federal funds received from other organizations or entities that meet the Federal reporting requirements.

It is ADP's determination that the authority for receipt of such funds lies on each county's Board of Supervisors, the reporting requirements based on receipt of the Federal SAPT Block Grant funds is the responsibility of the Board of Supervisors.

ADP will include the Federal reporting requirements within the NNA contract, effective with the FY 2010-11 contracts. Specifically, the sub-recipient (county) must:

- Register with Dun & Bradstreet (D&B) to receive a Data Universal Numbering System (DUNS) Number, if not already registered. D&B is the agency responsible for maintaining unique identifiers (DUNS Number) and organizational linkages on behalf of the Federal Government for business entities that receive Federal assistance.
- Register in the Central Contractor Registration (CCR) system. This is a Government wide registration system for entities that do business with the Federal Government. CCR stores information about awardees including financial account information for payment purposes and a link to D&B for maintaining current DUNS information. Budget Letter 10-28 from the State Department of Finance, instructs all state departments to ensure that contracts or agreements with sub-recipients require those sub-recipients to also register in the CCR in order to provide the state department with required information to comply with FFATA reporting.
- Report the following information in the CCR as defined below:
 - Location of entity (including congressional district)
 - Place of performance (including all congressional districts in which the county provides services based on the Federal funds received.

- Unique identifier (DUNS Number) of the primary entity (Board of Supervisors)
- Total compensation and names of the five most highly compensated officers if the following applies:
 - 1) The sub awardee (county) received 80% or more of it's annual gross revenues in Federal awards and those revenues are greater than \$25 million annually in the preceding fiscal year; and,
 - 2) The public does not have access to information about the compensation of the executives through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986.

After the data is entered into CCR by the counties, ADP will then complete the reporting requirements in the FFATA Subaward Reporting System.

The timelines for reporting sub-grant information is:

- The prime recipient/awardee (ADP) will have the month plus one additional month after a sub-grant award is obligated to fulfill the reporting requirements.
- For SAPT Block Grant funds, the reporting due date is February 28, 2011. ADP's obligation date was January 3, 2011 (ADP's receipt date of the Federal Fiscal Year 2011 SAPT Block Grant award).
 - Counties are required to report their information in the CCR system by February 23, 2011 in order for ADP to fulfill all of the reporting requirements by February 28, 2011.

REFERENCES

Federal Spending Transparency
www.USASpending.gov

OMB's website for Federal Spending Transparency
www.whitehouse.gov/omb/open

Central Contractor Registration (CCR)
<https://www.bpn.gov/CCR/default.aspx>

BACKGROUND

In the Memorandum on Transparency and Open Government issued on January 21, 2009, President Obama directed the OMB to issue an Open Government Directive, emphasizing the importance of disclosing information that the public can readily find and use. Ultimately this resulted in the Open Government

Directive – Federal Spending Transparency and Open Government Directive – Federal Spending Transparency through Subaward and Executive Compensation Reporting. Through these directives, this allows both the public and public officials to gauge the effectiveness of expenditures and to modify spending patterns as necessary to achieve the best possible results.

QUESTIONS/MAINTENANCE

If you have questions regarding this bulletin, please contact Thomas Quinn of the Program and Fiscal Policy Branch at (916) 323-4620 or at tquinn@adp.ca.gov. This bulletin is available on the ADP Web page at www.adp.ca.gov.

EXHIBITS

None

DISTRIBUTION

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Director's Advisory Council